

(Washington, DC)— The United States House of Representatives today passed legislation to protect American taxpayers and shareholders from the excessive and risky compensation practices at large financial firms that contributed to the collapse of the financial markets last fall. Congresswoman Gwen Moore (D-Wisc.), a member of the House Committee on Financial Services, voted for the measure.

“This bill does not intend to deny people their rightful earnings,” Congresswoman Moore said. “However, it does intend to stop the perverse incentives that these executives had to put our entire country and financial system at risk.”

The Corporate and Financial Institution Compensation Fairness Act would help put an end to the culture of incentivizing executives at large financial firms to take excessive risks at the expense of their companies, employees and shareholders. It requires federal regulators to monitor inappropriate or risky compensation practices and compels large financial firms to disclose any compensation structures that include incentive-based elements. The bill also gives shareholders at public companies a say on the pay for top executives.

###